## Appr**#1640F6612Release 2001/03<del>106</del>2 CIA-RDP82-00457R00990023** INFORMATION REPORT

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SUBJECT

Disagreemen between SED and Moscow on East-Jest Custion

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SUPPLEMENT TO

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- The SED leadership has been but into a very embarrassing situation by new instructions from Moscow on he last-lest question. The party hierarchy is uncertain in whether these istructions are of a tactical or long-range nature. The new Soviet orders arrive after the party purpe, begun at the end of 1950, and the attendant anti-Apprican compaign had reached an evidently successful climax with the Free Certa Youth rally in Berlin in August 1951. According to the source, Paul Merker and other victims of the purge have been or are about to be rehabilitated as a result of these orders.
- The new Moscow instructions I mand that the most earnest efforts be given to the Grotewood campaign for 'b reunification of Germany. The SED is well aware that this is not a new propaganda offensive, but a serious attempt to force the reunification of amany, even if it should involve a loss of power for the SED. A series of reprts on the "disintegration of the Bonn Government" has been channeled to be central organs of the SED, via Moscow, to bolster the party's self-reliance. May a few energetic steps on the part of the SED, these reports say, are necessary to bring about an all-derman election for the creation of a National Assembly, restoring Berlin as the capital of Reunited Cermany.
- 3. This Soviet analysis of the situation is taken by the experienced men around Walter Ulbricht as a sprious threat of surrender of the entire SED apparatus and the SED Government in last Germany as a price for the Russian appeasement towards the kst. Resimitic speculation has taken place as to the amount of power and influence the SED could retain in a united Germany after having surrendered its communently powers. On the other hand the realists around Miricht point out hat a campaign for the reunification of Germany has only a very slight prospect of uccess because of the opposition to it by the western powers and by the Reign Caholic groups in Germany. They admit, on the other hand, that a campaign alor the lines of the Grotewohl letter, if carried too far, can only lead to the semorelization of the East German regime. The Ulbright group thus rect the new Moscow instructions with reports to Moscow on the strength of the merican position in West Cormany; they carry out the Grotowohl campaign wit apparent loyalty, but behind the scenes they combat it with all the means and methods of Communist intrigue.

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4. Source states in summation that a concealed but violent conflict rages between the East German SED leadership and the Moscow Politburo. Indeed, the great prise which had to be given a few weeks ago to Otto Grotowohl and his "successful anti-American campaign" has already led to demoralization and a loosening of the Moscow grip in East Germany.\* Whatever the Ulbricht regime has gained through the Free German Youth meeting in Berlin, and through similar propaganda successes, is now being lost through the destruction of the hopes which Ulbricht's regime expected to realize within a short time. Many illusions have also wrisen in bourgeois and Social Democratic circles in East Germany, since the incormation has leaked out that the Politburo in Moscow is perhaps prepared to sacrifice the SED Government for the sake of an international maneuver, planned on a continental scale.

25X1A Comment: to demoralization.

Comment: Source does not explain how praise for Grotewohl has led

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